REGIONAL® MANAGEMENT

RM
LISTED
NYSE



Investor Presentation

December 7th, 2023

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This presentation, the related remarks, and the responses to various questions may contain various “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead represent the Company’s expectations or beliefs concerning future events. Forward-looking statements include, without limitation, statements concerning financial outlook or future plans, objectives, goals, projections, strategies, events, or performance, and underlying assumptions and other statements related thereto. Words such as “may,” “will,” “should,” “likely,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “outlook,” and similar expressions may be used to identify these forward-looking statements. Such forward-looking statements speak only as of the date on which they were made and are about matters that are inherently subject to risks and uncertainties, many of which are outside of the control of the Company. As a result, actual performance and results may differ materially from those contemplated by these forward-looking statements. Therefore, investors should not place undue reliance on such statements.

Factors that could cause actual results or performance to differ from the expectations expressed or implied in forward-looking statements include, but are not limited to, the following: managing growth effectively, implementing Regional Management's growth strategy, and opening new branches as planned; Regional Management's convenience check strategy; Regional Management's policies and procedures for underwriting, processing, and servicing loans; Regional Management's ability to collect on its loan portfolio; Regional Management's insurance operations; exposure to credit risk and repayment risk, which risks may increase in light of adverse or recessionary economic conditions; the implementation of evolving underwriting models and processes, including as to the effectiveness of Regional Management’s custom scorecards; changes in the competitive environment in which Regional Management operates or a decrease in the demand for its products; the geographic concentration of Regional Management's loan portfolio; the failure of third-party service providers, including those providing information technology products; changes in economic conditions in the markets Regional Management serves, including levels of unemployment and bankruptcies; the ability to achieve successful acquisitions and strategic alliances; the ability to make technological improvements as quickly as competitors; security breaches, cyber-attacks, failures in information systems, or fraudulent activity; the ability to originate loans; reliance on information technology resources and providers, including the risk of prolonged system outages; changes in current revenue and expense trends, including trends affecting delinquencies and credit losses; any future public health crises (including the resurgence of COVID-19), including the impact of such crisis on our operations and financial condition; changes in operating and administrative expenses; the departure, transition, or replacement of key personnel; the ability to timely and effectively implement, transition to, and maintain the necessary information technology systems, infrastructure, processes, and controls to support Regional Management's operations and initiatives; changes in interest rates; existing sources of liquidity may become insufficient or access to these sources may become unexpectedly restricted; exposure to financial risk due to asset-backed securitization transactions; risks related to regulation and legal proceedings, including changes in laws or regulations or in the interpretation or enforcement of laws or regulations; changes in accounting standards, rules, and interpretations and the failure of related assumptions and estimates; the impact of changes in tax laws and guidance, including the timing and amount of revenues that may be recognized; risks related to the ownership of Regional Management's common stock, including volatility in the market price of shares of Regional Management's common stock; the timing and amount of future cash dividend payments; and anti-takeover provisions in Regional Management's charter documents and applicable state law. The foregoing factors and others are discussed in greater detail in the Company's filings with the SEC. The Company will not update or revise forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events, whether as a result of new information, future developments, or otherwise, except as required by law.

This presentation also contains certain non-GAAP measures. Please refer to the Appendix accompanying this presentation for a reconciliation of non-GAAP measures to the most comparable GAAP measures.

Strategic Imperatives

Expand margins and maximize cash flows from loan portfolio

- Pricing increases, credit tightening, and improving economic conditions expected to drive higher future revenue yields
- Investment in data and analytics and improved credit decisioning will create better net credit loss outcomes

Execute on long-term growth strategies to increase revenues

- Geographic expansion has increased addressable market by 80% since 2020; significant opportunities for growth remain in existing 19 states and from future new state entry
- Digital investment widens the marketing funnel, improves the customer experience, and enhances the omni-channel operating model

Closely manage expenses and drive improved operating efficiency

- Investment in digital initiatives, technology, data and analytics, artificial intelligence, and centralized support create more efficient operations
- Geographic expansion, higher-balance auto-secured lending, and portfolio growth initiatives drive scale

Maintain a strong balance sheet, ample liquidity and borrowing capacity, and consistent capital return

- Diversified sources of funding with staggered revolving maturities support growth and protect against short-term disruptions in credit markets
- 87% of debt is at a fixed-rate, with a weighted average coupon of 3.6% and a weighted average revolving duration of 1.3 years (1)
- Consistent capital return to shareholders through quarterly dividend and stock repurchases

Focused on consistent execution of our core business, including:

- Originating high-quality loans within tightened credit box
- Closely managing expenses
- Maintaining a strong balance sheet

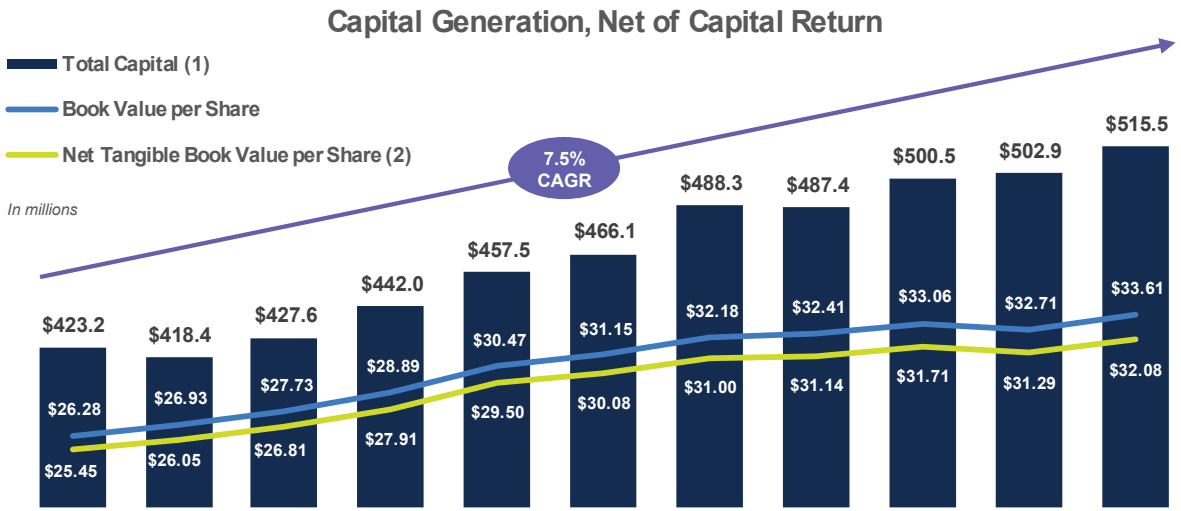
Expect to emerge from current economic cycle as a stronger company:

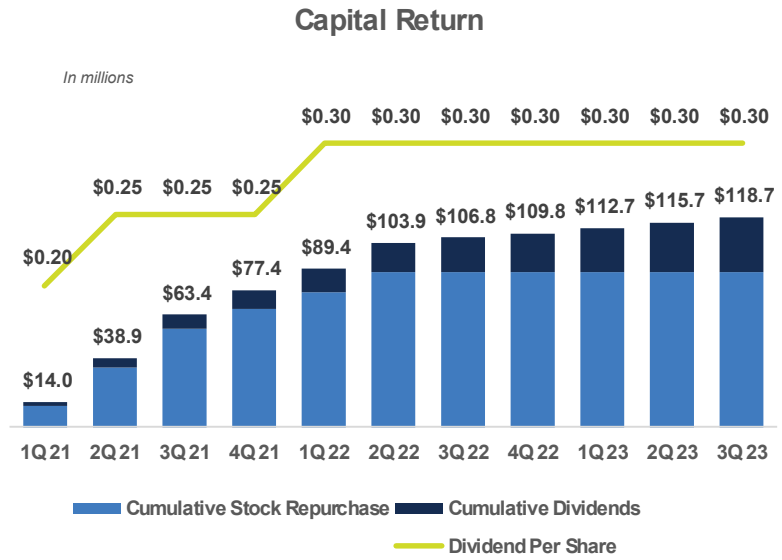
- Larger, higher-quality portfolio
- Improved operating efficiencies
- Well-positioned for future growth and delivery of attractive returns to shareholders

(1) As of 9/30/23

Excess Capital Consistently Returned to Shareholders

Proven business model capable of generating excess capital to return to shareholders and to reinvest in strategic initiatives that will generate sustainable, long-term profitable growth





$ in millions *(except per share amounts)*	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Capital Generation in Quarter:											
Stockholders' Equity	$ 283.6	$ 279.0	$ 277.5	$ 282.7	$ 298.7	$ 298.6	$ 308.5	$ 308.6	$ 316.7	$ 321.5	$ 330.6
Allowance for Credit Losses	139.6	139.4	150.1	159.3	158.8	167.5	179.8	178.8	183.8	181.4	184.9
Total Capital	$ 423.2	$ 418.4	$ 427.6	$ 442.0	$ 457.5	$ 466.1	$ 488.3	$ 487.4	$ 500.5	$ 502.9	$ 515.5
B/ (W) vs Prior Quarter		**$ (4.9)**	**$ 9.2**	**$ 14.5**	**$ 15.5**	**$ 8.5**	**$ 22.2**	**$ (0.8)**	**$ 13.1**	**$ 2.4**	**$ 12.6**
Capital Return in Quarter:											
Dividends to Shareholders	$ 2.2	$ 2.7	$ 2.6	$ 2.5	$ 3.0	$ 2.9	$ 2.9	$ 2.9	$ 2.9	$ 3.0	$ 3.0
Stock Repurchased	$ 11.8	$ 22.2	$ 22.0	$ 11.4	$ 9.0	$ 11.6	$ -	$ -	$ -	$ -	$ -
Book Value per Share	$ 26.28	$ 26.93	$ 27.73	$ 28.89	$ 30.47	$ 31.15	$ 32.18	$ 32.41	$ 33.06	$ 32.71	$ 33.61
Net Tangible Book Value per Share [2]	$ 25.45	$ 26.05	$ 26.81	$ 27.91	$ 29.50	$ 30.08	$ 31.00	$ 31.14	$ 31.71	$ 31.29	**$ 32.08**

Investors have an opportunity to build a position in RM while RM stock trades at a discount to net tangible book value per share

(1) Capital = Stockholders' Equity + Allowance for Credit Losses
(2) This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure.

Investment Highlights



Strong balance sheet supports capital returns



Controlled growth with stable credit using advanced credit tools



Geographic, product, and channel expansion drive growth



Modern infrastructure and digital capabilities



High customer satisfaction and loyalty



Scale, digital capabilities, and lighter footprint will drive operating leverage



Omni-channel growth strategy with abundant market opportunity



Proven experience through multiple credit cycles

Company Overview

Diversified consumer finance company operating under the name “Regional Finance”

Provide installment loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other lenders

Goal to consistently grow finance receivables and soundly manage portfolio risk, while providing customers with attractive, safe, easy-to-understand loan products serving their varied financial needs

Founded 1987

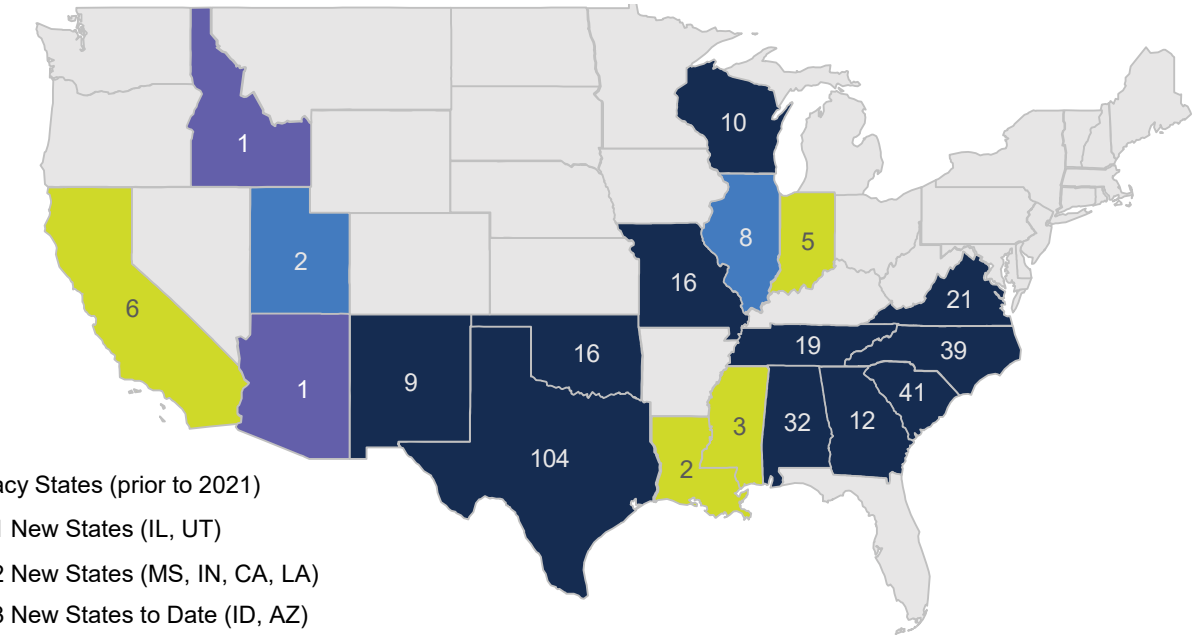
NYSE Listed: RM

347 branches

19 states

Total receivables of $1.8 billion

Multi-channel marketing: branches, digital, and direct mail



- Legacy States (prior to 2021)
- 2021 New States (IL, UT)
- 2022 New States (MS, IN, CA, LA)
- 2023 New States to Date (ID, AZ)
- Potential Future State Expansion

Geographic footprint and net finance receivables as of 9/30/2023

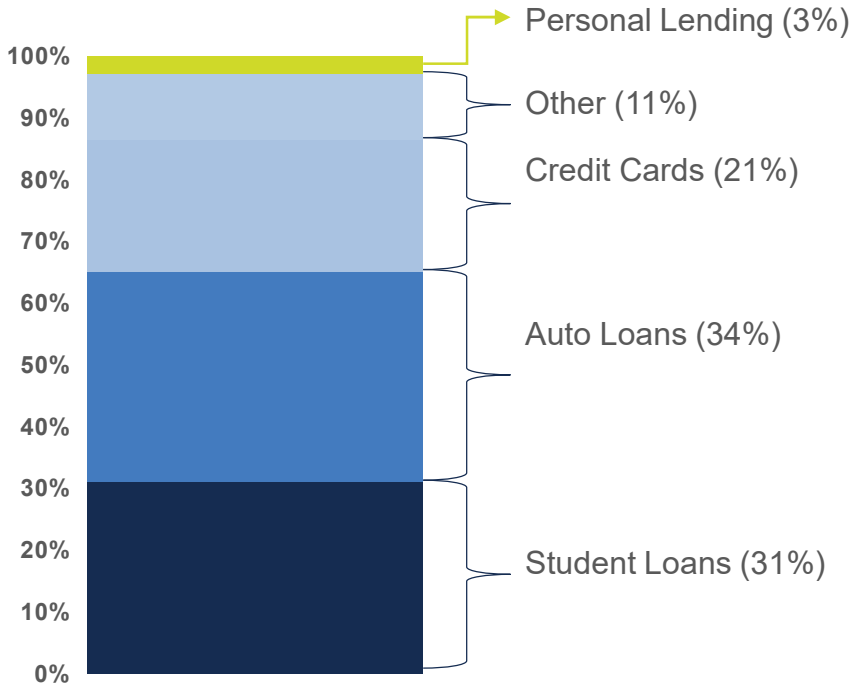


Abundant Total Addressable Market

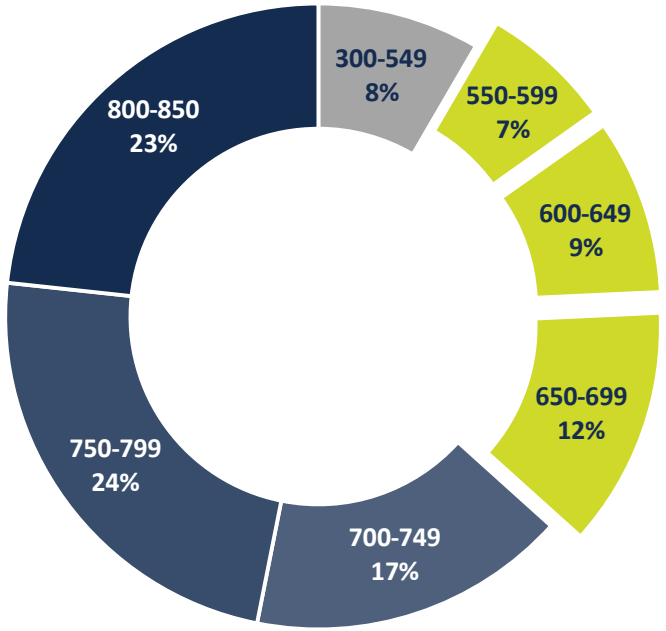
Approximately **72 million** Americans generally align with Regional's customer base [1][3] **$91 billion** market opportunity – RM has less than 2% market share and increased its addressable market by over 80% since 2020; still significant runway for growth

$4.7 Trillion Consumer Finance Market [2]

Personal Installment Loans Account for ~$91 billion [1]



28% of US Population with FICO Between 550 & 700 [3]





(1) Adult US Population sourced from US Census Bureau www.census.gov/library/stories/2021/08/united-states-adult-population-grew-faster-than-nations-total-population-from-2010-to-2020.html
(2) Sourced from Equifax US National Consumer Credit Trends Report; June 2023, sourced from June 2023 publication
(3) Sourced from Arkali, Can. "Average U.S. FICO® Score Stays Steady at 716" *FICO.com*, 30 Aug. 2022, www.fico.com/blogs/average-us-fico-score-stays-steady-716-missed-payments-and-consumer-debt-rises

Serving Our Customers Best

90+% favorable ratings for key attributes [1]:

- Loan process was quick, easy, and understandable
- People are professional, responsive, respectful, knowledgeable, helpful, and friendly

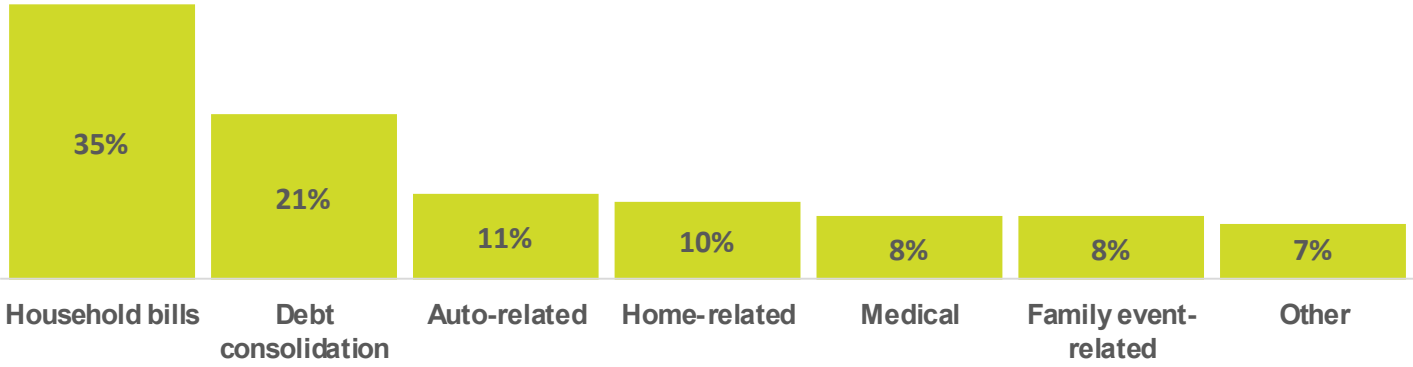
Continued investment in digital channels, remote servicing options, and focused on delivering positive customer experience has allowed us to maintain strong metrics

Excellent net promoter score of 64 [1]

92% of customers would apply to Regional Finance first the next time they need a loan

Top-Notch Customer Service

Origination Needs



Demographics

Average Age [2]
54 Years

Annual Income [2]
$47,000

Some College or Advanced Degree [1]
54%



(1) Fall 2023 Customer Satisfaction Survey (performed by third-party and commissioned by RM)
(2) Data as of 9/30/2023

Product Offerings

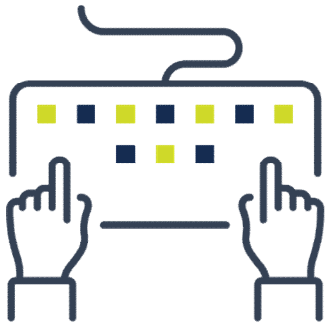
Multi-Channel Acquisition

In Branch
$695.6MM Originated
69% Large/31% Small

Direct Mail
$303.0MM Originated
Convenience Check Loans

Digital
$128.4MM Originated
Digital Lead Generation
Partnership Affiliates





Small Loans

Customer Need	Characteristics	Portfolio
Short-term cash needs	Size: $500 to $2,500	Outstanding Balance: $474.2MM
Bill payment	Average: ~$2,100	# of Loans: 282,600
Back-to-school expenses	Average APR: 44.2%	
Auto repair		

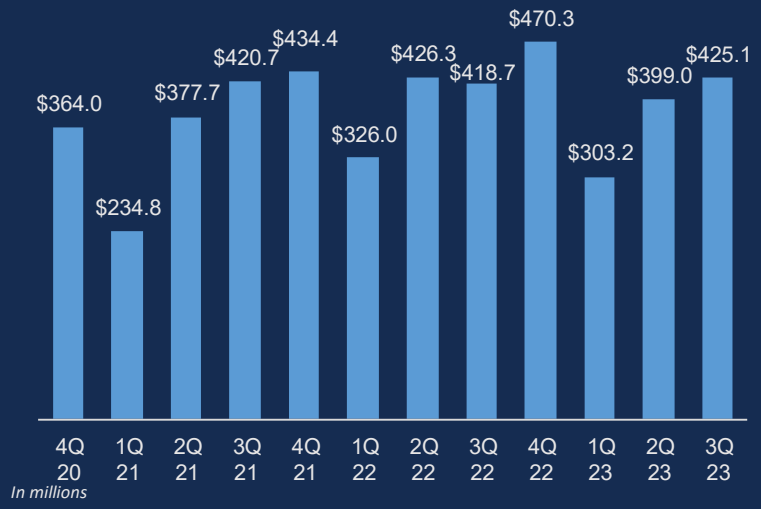
Large Loans

Customer Need	Characteristics	Portfolio
Debt consolidation	Size: $2,501 to $25,000	Outstanding Balance: $1.3B
Medical expenses	Average: ~$5,800	# of Loans: 244,800
Home repairs	Average APR: 29.4%	

Originations and portfolio metrics are YTD and as of 9/30/2023, respectively.

Financial Overview: Originations

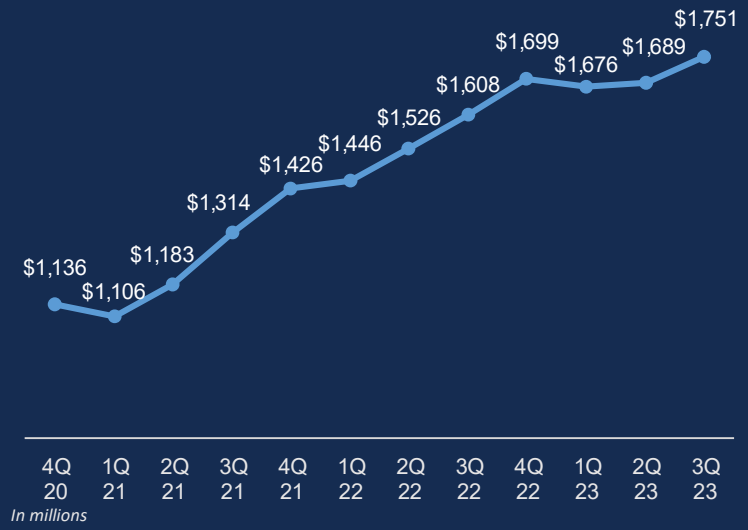
Total Originations



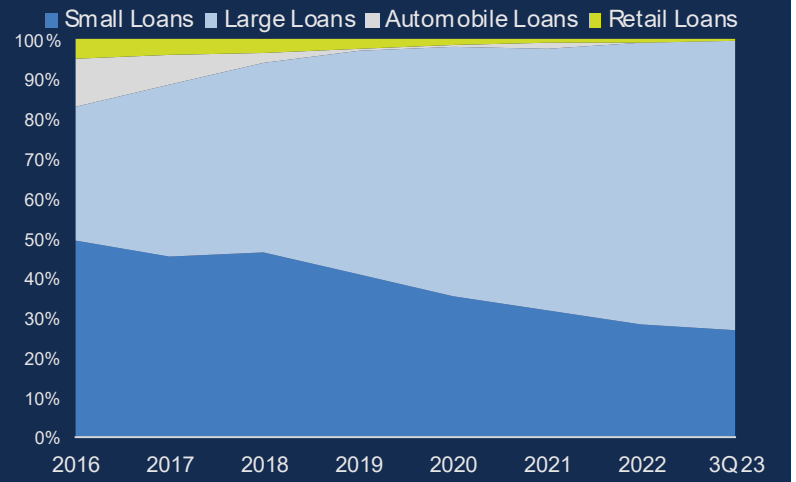
Digital Originations



Net Finance Receivables



Portfolio Mix % of ENR



Originations Impacted by Credit Tightening

Year-over-year growth rate reduced from credit tightening actions; originations more concentrated on programs to present and former borrowers, which perform better than new borrowers

3Q 23 direct mail originations were up 12.0% year-over-year and digital and branch originations were down 9.9% and 0.8%, respectively, from tightened credit and a focus on present and former borrowers

Digitally Sourced Originations

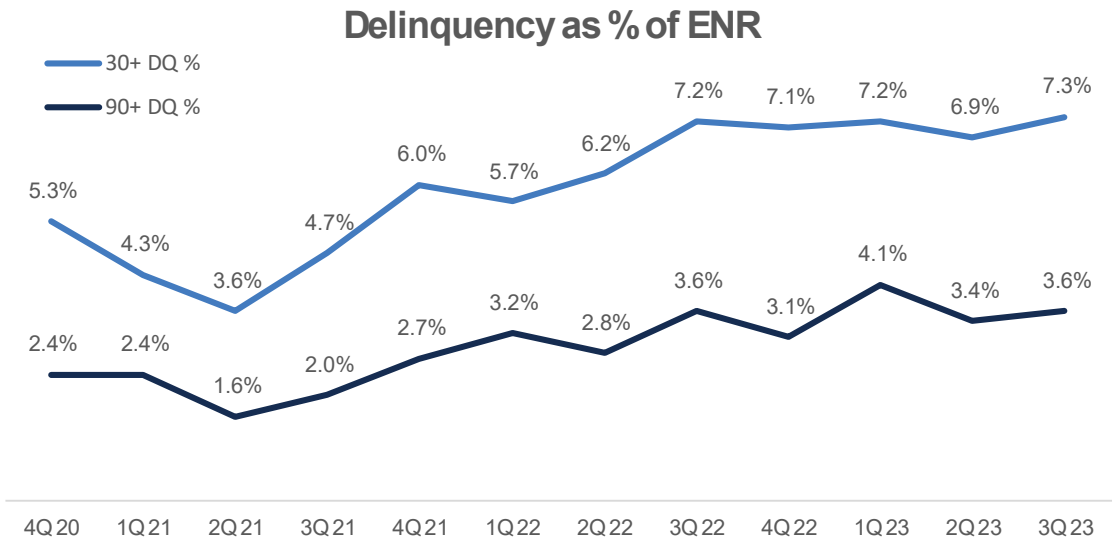
Digital originations are sourced from either our affiliate partnerships or directly from our website, underwritten by our custom credit scorecards, and serviced by our branches

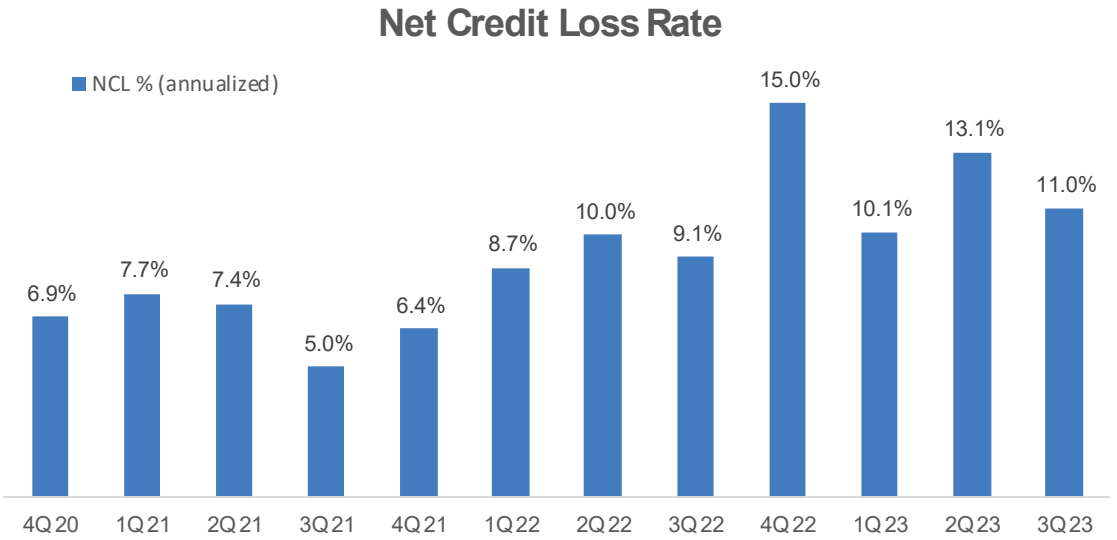
Digital volume represented 28.3% of our total new borrower volume in 3Q 23

Large loans represented 73.0% of new borrower digitally sourced loans booked in 3Q 23

96% of 3Q 23 digital originations were 600+ FICO vs. 83% in 3Q 19

Financial Overview: Credit





30+ days past due of 7.3% increased 10 basis points versus prior year, and 40 basis points sequentially, consistent with normal seasonal trends

- 30+ days past due of $128.4 million compares favorably to loan loss reserves of $184.9 million as of 3Q 23

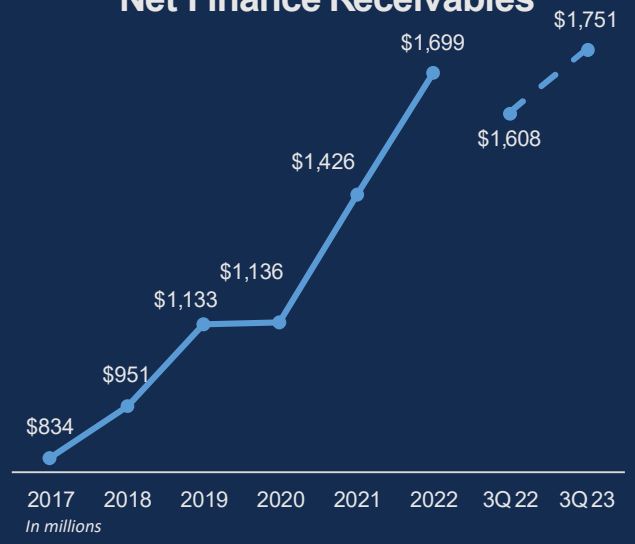
3Q 22 net credit loss rate of 11.0%, down 210 basis points sequentially

4Q 22 net credit loss rate of 15.0% included 3.2% related to accelerated charge-offs from the 4Q 22 loan sale; 1Q 23 rate of 10.1% was inclusive of an estimated benefit of 2.8% related to the loan sale

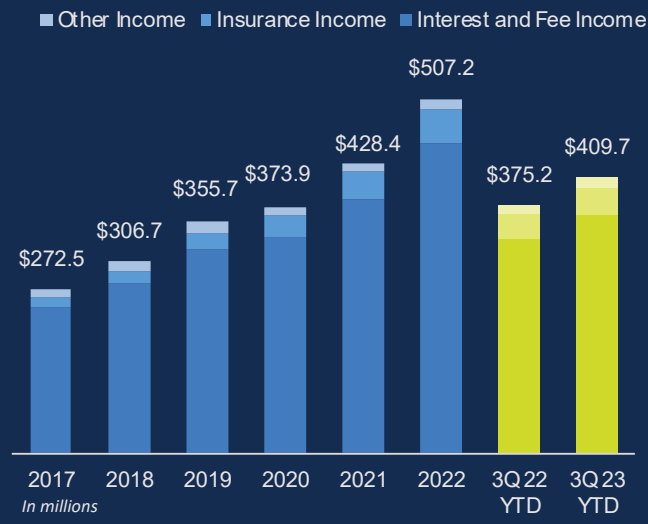
Financial Overview: Key Financial Results

Challenging macroeconomic conditions have impacted recent returns and profitability levels

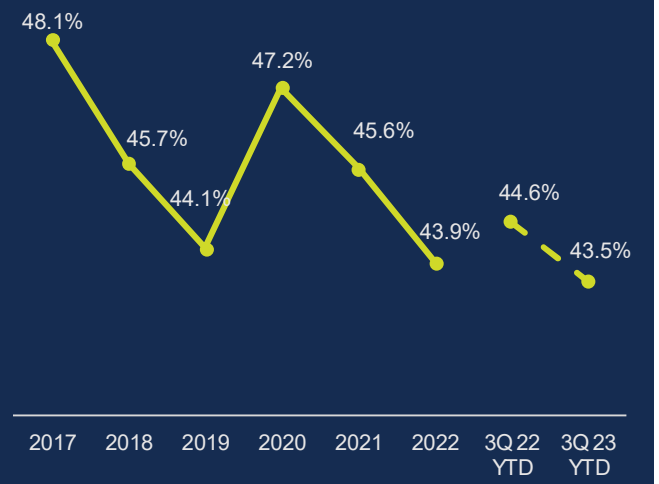
Net Finance Receivables



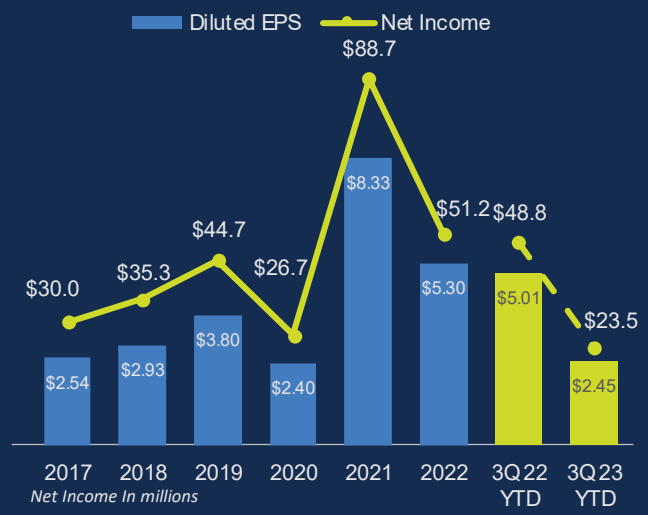
Revenue



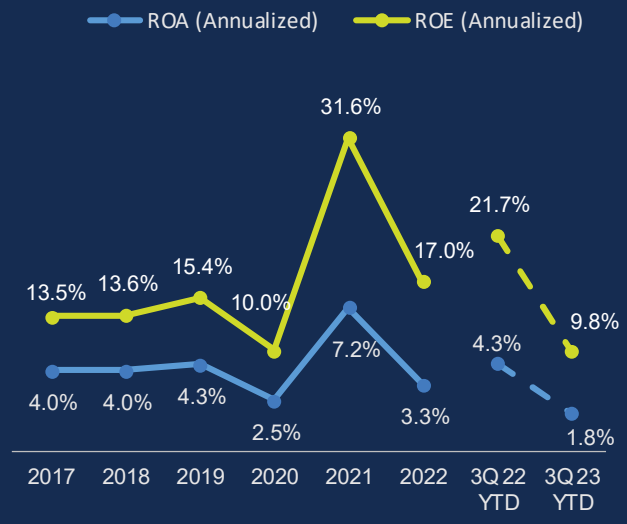
Efficiency Ratio



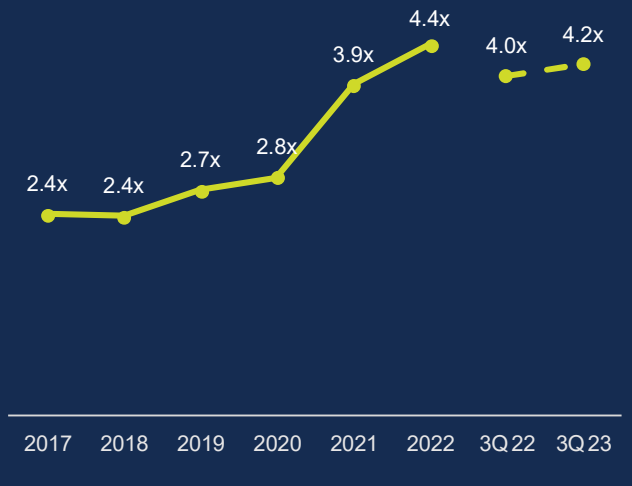
Net Income and Diluted EPS



ROA and ROE



Funded Debt-to-Equity



- Continued growth in account base and portfolio in controlled and profitable manner
- 3Q 2023 revenue growth outpaced G&A expense growth by 2.4x from the prior-year period
- Enhanced prequalification capabilities and tighter integration with digital affiliate partners drive better digital leads
- Digital initiatives, new state expansion, and new product development have driven strong growth

Strong Funding Profile

As of September 30, 2023, total unused capacity was $613 million (subject to borrowing base)

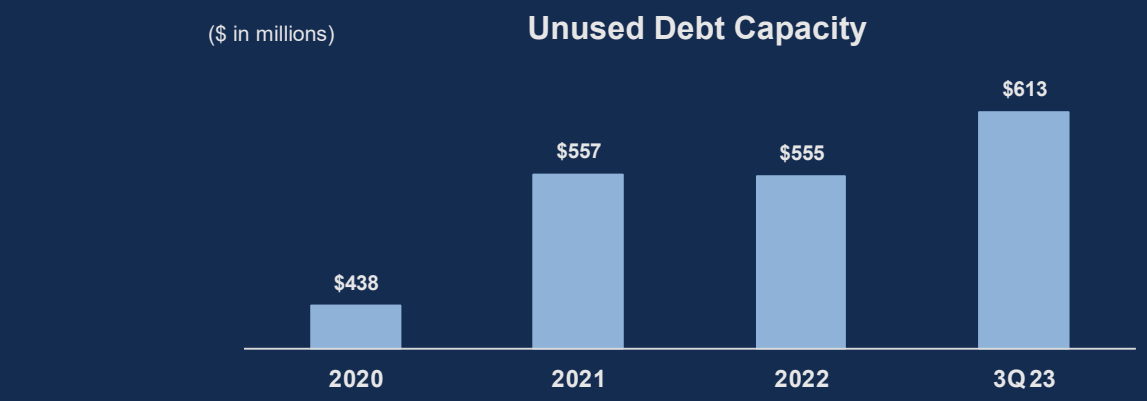
Available liquidity of $179 million as of September 30, 2023

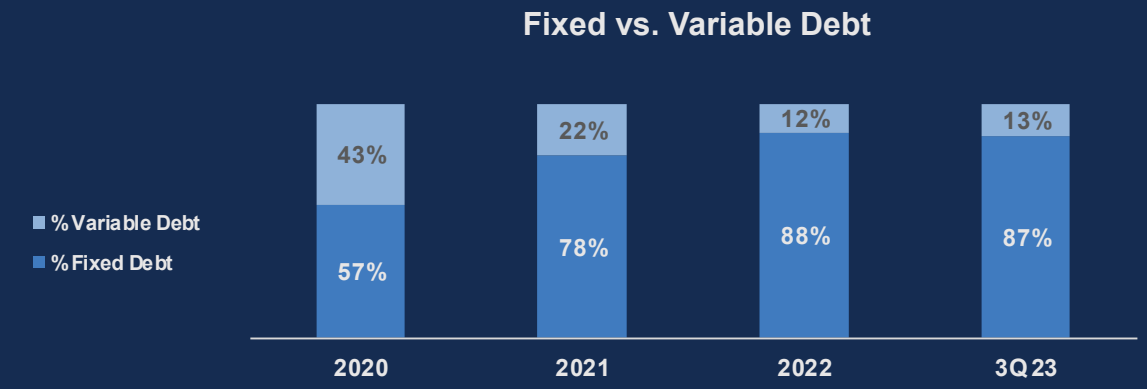
Fixed-rate debt represented 87% of total debt as of September 30, 2023, and had a weighted-average revolving duration of 1.3 years

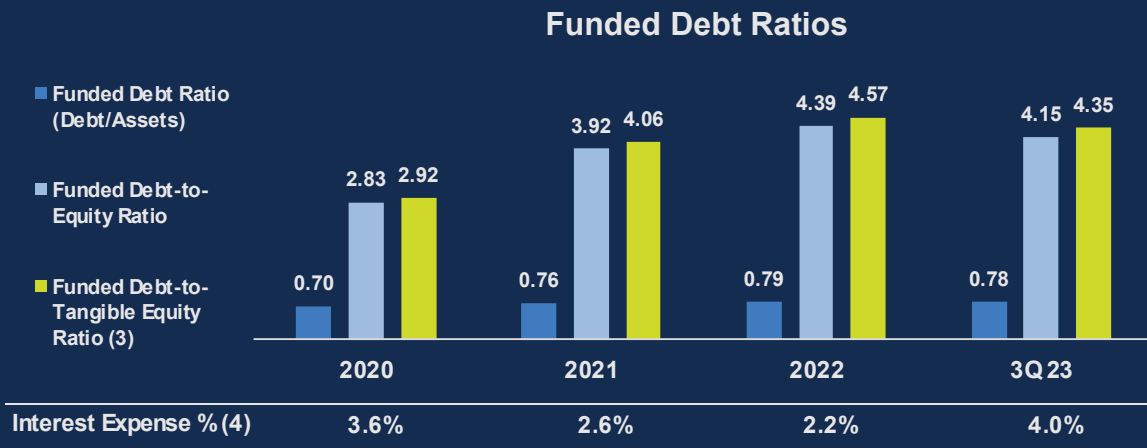
($ in millions)

Current Securitizations

Period	Amount	Revolving Maturity	Maturity	WAC (1)
3Q 20	$180	Sep 2023	Oct 2030	2.85%
1Q 21	$249	Feb 2024	Mar 2031	2.08%
3Q 21	$200	Jul 2026	Aug 2033	2.30%
4Q 21	$125	Sep 2026	Oct 2033	3.88%(2)
1Q 22	$250	Feb 2025	Mar 2032	3.59%
4Q 22	$184	Oct 2024	Nov 2031	7.51%







(1) Weighted-average coupon
(2) Private securitization that allows for fixed-rate funding of loans with APRs greater than 36%, resulting in a higher WAC than prior securitizations for funding of loans with APRs at or below 36%
(3) This is a non-GAAP measure. Refer to the Appendix for a reconciliation to the most comparable GAAP measure
(4) Annualized interest expense as a percentage of average net finance receivables

Long-Term, Sustainable, and Profitable Growth



Geographic Expansion

Identified states with favorable economics for expansion

Continue to identify opportunities to optimize branch network within existing footprint

Continue to drive scale using centralized originations and servicing



Accelerated Innovation

Deploy new technology to further omni-channel experience

Leverage data and analytics to improve credit underwriting, customer acquisition and retention, and back-office capabilities



Product and Channel Expansion

Execute on distribution of larger auto-secured loans and end-to-end originations

Assess new product offerings in the marketplace

National scale should enable additional strategic partnerships





Appendix



Non-GAAP Financial Measures

In addition to financial measures presented in accordance with generally accepted accounting principles ("GAAP"), this presentation contains certain non-GAAP financial measures. The company's management utilizes non-GAAP measures as additional metrics to aid in, and enhance, its understanding of the company's financial results. Tangible equity and funded debt-to-tangible equity ratio are non-GAAP measures that adjust GAAP measures to exclude intangible assets. Management uses these equity measures to evaluate and manage the company's capital and leverage position. The company also believes that these equity measures are commonly used in the financial services industry and provide useful information to users of the company's financial statements in the evaluation of its capital and leverage position. As a result, the company believes that the non-GAAP measures that it has presented will allow for a better evaluation of the operating performance of the business. This non-GAAP financial information should be considered in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. In addition, the company's non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies. The following tables provide a reconciliation of GAAP measures to non-GAAP measures.

$ in thousands	3Q23	3Q22	2022	2021	2020	2019
Total assets	$1,765,340	$1,606,550	$1,724,987	$1,459,662	$1,103,856	$1,158,540
Less: Intangible assets	15,048	11,305	12,122	9,517	8,689	9,438
Tangible assets (non-GAAP)	1,750,292	1,595,245	1,712,865	1,450,145	1,095,167	1,149,102
Debt	1,372,748	1,241,039	1,355,359	1,107,953	768,909	808,218
Total stockholders' equity	330,585	308,453	308,633	282,736	272,123	302,783
Less: Intangible assets	15,048	11,305	12,122	9,517	8,689	9,438
Tangible common equity (non-GAAP)	$ 315,537	$ 297,148	$ 296,511	$ 273,219	$ 263,434	$ 293,345
Funded debt-to-equity ratio	4.15	4.02	4.39	3.92	2.83	2.67
Funded debt-to-tangible equity ratio (non-GAAP)	4.35	4.18	4.57	4.06	2.92	2.76
Total stockholders' equity to total assets	18.7%	19.2%	17.9%	19.4%	24.7%	26.1%
Tangible equity to tangible assets (non-GAAP)	18.0%	18.6%	17.3%	18.8%	24.1%	25.5%

Non-GAAP Financial Measures

$ in thousands (except per share amounts)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Total stockholders' equity	283,636	278,983	277,466	282,736	298,742	298,584	308,453	308,633	316,693	321,502	330,585
Less: Intangible assets	8,926	9,081	9,184	9,517	9,475	10,312	11,305	12,122	12,972	13,949	15,048
Tangible common equity (non-GAAP)	$ 274,710	$ 269,902	$ 268,282	$ 273,219	$ 289,267	$ 288,272	$ 297,148	$ 296,511	$ 303,721	$ 307,553	$ 315,537
Shares outstanding	10,792	10,360	10,007	9,788	9,806	9,584	9,584	9,523	9,578	9,829	9,835
Book value per share	$ 26.28	$ 26.93	$ 27.73	$ 28.89	$ 30.47	$ 31.15	$ 32.18	$ 32.41	$ 33.06	$ 32.71	$ 33.61
Tangible book value per share (non-GAAP)	$ 25.45	$ 26.05	$ 26.81	$ 27.91	$ 29.50	$ 30.08	$ 31.00	$ 31.14	$ 31.71	$ 31.29	$ 32.08